

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
GOVERNANCE & PERFORMANCE REVIEW COMMITTEE
OPEN SESSION

Friday, January 20, 2012

4:34 p.m.

Westgate Hotel
Versailles Ballroom
1055 Second Avenue
San Diego, California 92101

COMMITTEE MEMBERS PRESENT:

Martha Minow, Chairperson
Sharon L. Browne
Charles N.W. Keckler
Julie A. Reiskin
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Robert J. Grey Jr.
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk, O.P.
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT:

James J. Sandman, President
Richard L. Sloane, Special Assistant to the President
Kathleen McNamara, Executive Assistant to the President
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Mattie Cohan, Senior Assistant General Counsel,
Office of Legal Affairs
Katherine Ward, Executive Assistant, Office of Legal
Affairs
David L. Richardson, Comptroller and Treasurer, Office
of Financial and Administrative Services
Jeffrey E. Schanz, Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General
Joel Gallay, Special Counsel to the Inspector General,
Office of the Inspector General
Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General
Thomas Coogan, Assistant Inspector General for
Investigations, Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the
Inspector General
John Constance, Director, Office of Government
Relations and Public Affairs
Stephen Barr, Communications Director, Office of
Government Relations and Public Affairs

Chuck Greenfield, National Legal Aid and Defender
Association (NLADA)
Don Saunders, National Legal Aid and Defenders
Association (NLADA)
Justice Earl Johnson, Jr., American Bar Association
(ABA) Standing Committee on Legal Aid and Indigent
Defendants (SCLAID)

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1 P R O C E E D I N G S

2 (4:34 p.m.)

3 CHAIRMAN MINOW: I'd like to call to order the
4 meeting of the Governance and Performance Review
5 Committee. And I wonder if anyone would be willing to
6 move to approve the agenda.

7 M O T I O N

8 MS. REISKIN: So move.

9 PROFESSOR KECKLER: Second.

10 CHAIRMAN MINOW: Thank you.

11 Anyone to approve the minutes, which appear
12 following on page 118?

13 M O T I O N

14 MS. REISKIN: So move.

15 CHAIRMAN MINOW: Second?

16 PROFESSOR KECKLER: Second.

17 CHAIRMAN MINOW: Thank you.

18 So as to the summary of the results of the
19 Board assessments that we have, I want to thank
20 everyone, both members of this committee and everyone
21 on the Board, for going through this process, which the
22 GAO has also asked us to do. And this committee, like

1 the other committees, will take into account the
2 feedback.

3 I'm not going to take the committee's time to
4 do that. But I have seen the feedback, and one major
5 suggestion that we will act on as promptly as we can is
6 to get the board books out sooner, and to explore the
7 ways in which we can have electronic access so we can
8 facilitate that.

9 As to the other suggestions, I think they're
10 more modest and we'll work on that.

11 We'd like to hear the staff report on the
12 progress on implementation of the GAO recommendations,
13 unless there's anything anyone else wants to say about
14 the self-evaluations?

15 (No response.)

16 CHAIRMAN MINOW: No. Mr. Constance? I cannot
17 imagine not welcoming you to advise us, but let's do it
18 now, and we will figure out a way to survive saying
19 goodbye.

20 MR. LEVI: He's so sure he's not going to be
21 at the next meeting. But I told him he's going to be
22 at every meeting until his replacement is in place.

1 And he didn't necessarily say no to that, did he?

2 MR. CONSTANCE: Mr. Chairman, for the record,
3 this is John Constance, director of Government
4 Relations and Public Affairs, and staff support for the
5 Governance Committee. I believe my wife is actually on
6 the open line, so I'm going to be real careful as to
7 how I answer that question because she was concerned it
8 might be asked.

9 (Laughter.)

10 MR. CONSTANCE: Let me do this very quickly.
11 If somebody could give me a hand and pass these out
12 again. I apologize that these are a bit late.

13 However, that being said, as you look at them,
14 there's not a huge difference from our previous
15 meeting. Let me tell you, just in summary, where we
16 are with the GAO recommendations.

17 And again, I want to remind everyone that I
18 think the Hill thinks in terms of three GAO reports.
19 This is the third of those three. The first two
20 reports have been completely closed and reconciled,
21 with all recommendations being implemented. This third
22 report, from June of 2010, is the one that we're in the

1 resolution process with GAO on right now.

2 There were 17 recommendations. Nine of them
3 have been formally closed by GAO, meaning, of course,
4 that there are eight open recommendations. Three off
5 them are strategic plan-dependent, for lack of a better
6 term. Those would be recommendations 9, 10, and 11 of
7 the report recommendations. And again, as the
8 strategic planning process for this Board is completed,
9 I think we'll then be in a position to implement those
10 three and submit them to GAO.

11 Of the five other open recommendations, two of
12 those, the procedures themselves have been changed,
13 have been implemented. Our organization is working
14 under those changes. They just have to be formally
15 documented and in our manuals and approved and gotten
16 to GAO. We're in the process of doing that.

17 One recommendation involves our performance
18 evaluation system inside the Corporation for employees
19 within the Corporation, and Richard Sloane is in the
20 process of working on that. The others are being
21 worked on. We are in a very good, I think, dialogue
22 with GAO and the GAO examiners as we have gone through

1 this process. It continues to be a positive process
2 and one that they continue to compliment us on our
3 progress.

4 I would say this, that there were rumors at
5 one point, toward the end of last year, of the
6 possibility of an oversight hearing within the House of
7 Representatives on LSC. It had been some time since
8 there had been one. And these kinds of things are the
9 material that would be looked at, I think, very
10 carefully in that kind of a process.

11 So I know that Jim is very attuned to this, as
12 we are in the GRPA staff with our responsibility for
13 monitoring and tracking this. We have some upcoming
14 meetings with the staff to move this along, and the
15 hope is that by the time that we're at the April
16 meeting, "we" in the general sense, Mr. Chairman, there
17 will be, I think, an opportunity to report victory and
18 moving on in all those except for the ones having to do
19 with the strategic plan at that point.

20 CHAIRMAN MINOW: I wondered, Jim, if you want
21 to say anything? Or do we have the process in motion
22 to implement these steps?

1 PRESIDENT SANDMAN: Yes. I think we have a
2 process in place. My approach has been to move primary
3 responsibility for implementing the recommendations
4 away from GRPA and toward the functional units that
5 have responsibility for the issues that the GAO
6 addressed. And I'm working with GRPA to schedule
7 meetings with the appropriate people to close these
8 recommendations as quickly as possible.

9 CHAIRMAN MINOW: Thank you.

10 John, do you have further -- oh, Charles?

11 PROFESSOR KECKLER: John, could you tell us a
12 little bit more about recommendation 12? You mentioned
13 that it's sort of working on, but then you mentioned an
14 aspiration or hope that it would be resolved by April.

15 Does that mean that the -- I guess the 2010
16 performance explains?

17 MR. CONSTANCE: No. I think, again, it's
18 going to be a -- the process that we're going through
19 in terms of development of an employee evaluation
20 system, I think, is what will happen sooner rather than
21 later. As far as anything associated with the
22 labor/management, coordination of that, I would turn to

1 Jim in terms of any projection of that.

2 But it is something that is in fact being
3 worked on, and I think my understanding is progress is
4 being made.

5 PRESIDENT SANDMAN: We're currently in a
6 period in our labor/management relations where we can
7 comply with the status quo system for conducting
8 performance appraisals, which is provided in the
9 employee handbook; or we can deviate from that, but
10 only after we negotiate with the union.

11 The employee manual sets out a procedure for
12 doing employee evaluations that starts with the
13 preparation of a work plan, I believe it's called,
14 something like that, in the handbook that has to be
15 done at the beginning of each year.

16 That was not done in 2010. It was not done at
17 the beginning of 2011. So we're out of compliance with
18 the plan, is my view, and that anything we do at this
19 point differently from the handbook needs to be
20 negotiated with the union.

21 We've had discussions with the union about
22 doing something on an interim basis, and that's what

1 Richard is working on and what we hope to follow up on.

2 CHAIRMAN MINOW: Any other questions?

3 (No response.)

4 CHAIRMAN MINOW: So, Mr. Constance, you are
5 our constant guide and supporter. You will get a round
6 of applause from this committee. But we hope that we
7 get to see you again and give you many more rounds of
8 applause.

9 MR. CONSTANCE: Thank you, Madam Chairman. I
10 must say, I thought about this just a few minutes ago
11 as I was sitting there, and that is, I have supported
12 this committee through the previous board and this
13 board.

14 And in the case both chairs for this
15 committee, each one of them have been on the short list
16 for the United States Supreme Court, Professor Lillian
17 BeVier and Dean Martha Minow. I would just observe
18 that it's not required to be on that list to be chair
19 of this committee, but it certainly seems to help.

20 (Laughter.)

21 MR. CONSTANCE: And I thank you for all your
22 many kindnesses to me as we worked together on this.

1 CHAIRMAN MINOW: Well, it's been not only a
2 pleasure but an education, and we are so deeply in your
3 debt. So may I invite everyone to applaud Mr.
4 Constance.

5 (Applause)

6 CHAIRMAN MINOW: So one of the topics that we
7 are very responsible for is the performance evaluation
8 of the president and officers. And we have explored,
9 based on last committee's meeting, a discussion about
10 the right procedure to follow with the president.

11 Charles was very, very helpful in thinking
12 this through and considering what others have done, and
13 at least for now, our suggestion to the committee is
14 that we use the job description that was only recently
15 developed for the president, and invite the president
16 to use that as a benchmark, like a work plan, and
17 report to us about how work has proceeded.

18 Since he's shy of one year, but only by a few
19 days, I actually went ahead and asked Jim to go ahead
20 and do that. But before hearing from him, which we
21 will do in a moment, I'd like just to make sure that
22 everyone on the committee's comfortable with that as a

1 process. I think we can look forward to adjusting it
2 over time. But it seemed like a very good way to
3 start. Everyone comfortable with that as an approach?

4 So Jim has engaged in, I think, the very
5 useful process, and it's a wonderful role model for
6 other officers and for the organization as a whole, to
7 look at a self-evaluation based on what we identified
8 as the priorities for the president.

9 And Jim, I just have to say that you're too
10 modest in your description of what you've done this
11 year because on every one of the dimensions, you've
12 really moved this organization deeply ahead. But I
13 wondered if you had something you wanted to say.

14 PRESIDENT SANDMAN: Thank you. I appreciate
15 the suggestion that I be given the opportunity to do a
16 self-evaluation for the committee. I did follow up on
17 Martha's request that I use the job description that
18 had been prepared in connection with the search for the
19 president, and for each of the requirements and
20 obligations of the job I have provided my best
21 description of the job that I've done during the past
22 year and how it has or has not met the standard that

1 was identified in the position description.

2 And I'm happy to answer any questions and to
3 share that with everyone.

4 MS. BROWNE: I didn't get a copy.

5 CHAIRMAN MINOW: Sharon, I was just going to
6 say, I don't believe that we shared this with the
7 committee because we had this prior stage of approving
8 the procedure by which we would do this. And so it's
9 going to be a little bit out of synch.

10 But now that we've approved it, we will share
11 with the committee Jim's effort to do the
12 self-evaluation, and at the next committee, if anyone
13 has comments, we'll proceed with that, but then really
14 aim to be on a yearly schedule from then onward.
15 Everyone comfortable with that? Great.

16 Jim?

17 PRESIDENT SANDMAN: I would like to follow up
18 on that and to say I solicit your feedback, both
19 formally and informally. And I'd appreciate your
20 advice and any suggestions you have on how I can do a
21 better job.

22 MR. LEVI: Get a little more sleep.

1 (Laughter.)

2 MS. REISKIN: Well, I just wanted to mention,
3 every instance where there's been public comment of any
4 kind, through the surveys, the strategic plan, the
5 Fiscal Oversight Task Force, the consistent theme has
6 been, the new president has made things better, has
7 breathed fresh life -- I mean, it's been very, very
8 positive all over the place.

9 Even when people might not like specific
10 decisions, it's been very positive across a number of
11 settings. And I notice that theme, just from the -- I
12 mean, I think the Board's very happy, and I hope we've
13 expressed that. But just from the community in general
14 is what I've picked up.

15 MR. LEVI: Well, I said what I just said
16 somewhat in jest. But I want to tell you what time I
17 received an email from Jim this morning. I think it
18 was before 5:00 this morning. It was somewhere
19 around -- it was. It was 3:55 a.m.

20 PRESIDENT SANDMAN: I'm still on Eastern time,
21 John.

22 (Laughter.)

1 MR. LEVI: And I also, just a few days ago
2 when he was in Chicago, received an email from him at
3 10:30 at night. So I'm trying to figure out the space
4 between a guy who's sending an email at 10:30 and at
5 3:55. And I realize there's been some time changes,
6 but Jim is working nonstop. And I just think we all
7 are so grateful for that. But that wasn't necessarily
8 in the job description.

9 CHAIRMAN MINOW: And second all of that. I do
10 want to specifically call out two things that I see
11 that have been especially positive. One is your work
12 in building an extremely collaborative relationship
13 with the IG, whose performance review we'll do shortly.

14 And the second is being the public face and
15 spokesperson for access to civil legal services, which
16 I think you've done superbly. But we'll have a more
17 fulsome review, if necessary, next time we meet.

18 Any further thoughts on that? I'm sending it
19 to you all as we speak, if I can figure out my iPad.

20 Now, then, let's turn to the IG evaluation.
21 Here I do believe that we've shared the materials. We
22 haven't received those materials either? No?

1 MR. LEVI: No. We did. We got those.

2 CHAIRMAN MINOW: Yes. Thank you. Exactly.

3 That's right. That's it. Thank you, Jeff.

4 MR. SCHANZ: Well, I have copies for everyone
5 who is, like myself, sort of electronically or
6 e-challenged. So I'm a paper buy, so I have copies of
7 the work plan --

8 CHAIRMAN MINOW: May I say, bless you?

9 MR. SCHANZ: Okay. Yes.

10 CHAIRMAN MINOW: And Jeff, can I say this is
11 the first anniversary of our performance review last
12 year, and I again want to commend you for undertaking
13 this process and modeling for the whole organization
14 this very healthy process of self-review.

15 MR. SCHANZ: Well, thank you very much. As I
16 think I mentioned last time and at the last board
17 meeting, I was evaluated my whole career. This is
18 nothing unusual. What's unusual about it is having
19 such a lofty group of individuals rating my
20 performance.

21 But I think I've provided you with sufficient
22 information to do so. Electronically, I sent the

1 committee members information on my performance
2 standards, the work plan that I should be judged
3 against; and I provided some bonus materials, just a
4 copy of our website that would give you some idea of
5 the breadth and depth of our work in the last year.

6 CHAIRMAN MINOW: Excellent. Does anyone have
7 any comments or questions you'd like to raise? I want
8 to just again call out, as something to compliment, is
9 your development with Jim of a very cooperative and
10 collaborative relationship and really wonderful
11 communication.

12 I also think that the work on fraud has been
13 truly excellent. And I think that John Levi has asked
14 you to develop a fraud awareness presentation that will
15 take place during the next board meeting, which I think
16 would be extremely excellent and will highlight what
17 you've done, but also further shed light and expand the
18 mission of bringing the appropriate standards to the
19 field.

20 MR. SCHANZ: Well, I'd be happy to do that.
21 And of course, most of the credit goes to my chief
22 investigator, Tom Coogan. The problem I have with that

1 is we have to brief people because there still is
2 fraud. It would be really nice if I came here and
3 said, I didn't do anything related to fraud for the
4 last six-month period. And unfortunately, I can't do
5 that, in all honesty. But we'll get there.

6 And as far as working with the president, I
7 just want to say that we share the same expectations
8 for the Legal Services Corporation.

9 CHAIRMAN MINOW: Thank you.

10 Anyone have comments? Questions? Julie?

11 MS. REISKIN: Yes. Whenever there's a request
12 for information, you're incredibly timely. Like
13 sometimes it's like, wow, that was fast. And it's
14 very -- I really appreciate that, being able to get
15 information that's thorough and quick. So thank you.

16 MR. SCHANZ: Well, thank you. That's how I
17 was raised. And I have set timelines related to my
18 personal endeavors in that area. I've set timelines
19 for any hotline complaint that comes in. We respond
20 with receipt within 48 hours.

21 I don't want people to think that calling the
22 hotline or making a fraud allegation to the IG goes

1 into a black hole. We're very responsive in that area,
2 and we think that the more we do that, the more open
3 people will be to present possible malfeasance to the
4 IG.

5 CHAIRMAN MINOW: Thank you.

6 Charles?

7 PROFESSOR KECKLER: I just want to thank you
8 for your excellent work over the past year. And this
9 is a very comprehensive report. The only thing I would
10 add for you to consider in future years as a bracket is
11 that where there is comparable data from prior year,
12 2010 in terms of things like hotline investigations,
13 it's not so much even a performance tracking.

14 It's just to understand how the number of
15 fraud investigations might go up and down if you have
16 the 2010 -- or, I mean, this year when 2012 comes
17 around. It's just something that would be useful to me
18 when I'm thinking about the work of the IG.

19 MR. SCHANZ: We can probably do that pretty
20 easily. All the information that's presented there, I
21 updated it through the end of the calendar year. But
22 most of the information there is in our two semiannual

1 reports, at March 31st and September 30.

2 PROFESSOR KECKLER: I realize that it is. And
3 that's exactly what I was doing. I was thinking about
4 it because I was reading and I was thinking, if I had
5 the SAR right there with me, then I'd --

6 MR. SCHANZ: Oh, I have a copy of that for
7 you.

8 PROFESSOR KECKLER: -- that would be -- then
9 I'd be able to do it. But it's just an idea to throw
10 in, like an extra sense where there's a comparable data
11 point.

12 MR. SCHANZ: Okay. We can do that.

13 PROFESSOR KECKLER: Thanks.

14 MR. SCHANZ: And somebody on my staff is
15 feverishly writing that down right now, I hope.

16 MR. MERRYMAN: Hold on a second.

17 (Laughter.)

18 CHAIRMAN MINOW: And there's a smile, even.

19 When we turn, as a Board, to the fiscal
20 oversight panel's recommendations, there may be some
21 consequences for alignment with your work. But that's
22 to the future. That's not present.

1 MR. SCHANZ: Okay. Thank you.

2 CHAIRMAN MINOW: Sure.

3 MS. BROWNE: And I just wanted to echo what
4 has been said, is that I thought your performance last
5 year and since we started with this Board has been just
6 very helpful and informative, and always done in a
7 gracious manner. Thank you.

8 MR. SCHANZ: Thank you.

9 CHAIRMAN MINOW: I think, actually, that's the
10 end of this item. And again, I really -- yes? Oh, I'm
11 sorry. Jim?

12 PRESIDENT SANDMAN: Martha, I noted that item
13 5 on the agenda referred to the evaluation both of the
14 president and of the other officers of the Corporation.
15 And at your suggestion, what I'd propose to do is to
16 ask the treasurer and the vice president and general
17 counsel to do self-evaluations based on their position
18 descriptions and then forward those with my own
19 commentary to the committee.

20 CHAIRMAN MINOW: I think that's excellent.
21 That sounds perfect. And we want to align the Board
22 work with your work on that, and so that's why we

1 consulted on it.

2 MS. REISKIN: When we get those, are we to
3 make comments and send them back, or just read them and
4 hold for the next meeting?

5 CHAIRMAN MINOW: I think hold for the next
6 meeting. We'll use that as a topic for the next
7 meeting.

8 All right. Thank you, Mr. Inspector General.
9 Thank you very much.

10 MR. SCHANZ: Okay. Thank you for your
11 interest and support.

12 CHAIRMAN MINOW: Thank you. Look forward to
13 the coming year.

14 So consider and act on other business. Anyone
15 have other business?

16 (No response.)

17 CHAIRMAN MINOW: Public comment?

18 (No response.)

19 CHAIRMAN MINOW: I will entertain a motion to
20 adjourn.

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M O T I O N

MR. LEVI: So move.

PROFESSOR KECKLER: Second.

CHAIRMAN MINOW: All in favor?

(A chorus of ayes.)

CHAIRMAN MINOW: Okay. The meeting is
adjourned. Thank you all very much.

(Whereupon, at 4:57 p.m., the meeting was
adjourned.)

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